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November 23, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Joint
Petition for Approval of Accounting Order to Defer Incremental COVID-19
Expenses to Be Included in Future Rate Proceedings
Docket No. 2020-195-E

Dear Ms. Boyd:

This firm represents Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (collectively "the Companies") in the referenced proceeding. On November 20, 2020 we received your letter ("Transmittal Letter") transmitting the Notice of Virtual Public Hearing scheduled for January 25th in this proceeding. The Transmittal Letter indicates that we should contact your office with any concerns relating to the notice. I am writing to inform you about concerns we have with the timing and expense of providing notice as outlined in the notice and Transmittal Letter.

The Transmittal Letter requires that DEC and DEP provide notice directly to customers by regular mail or email by December 21, 2020. As you are aware, when possible the Companies provide notices and other communications to customers by inserting the communications into the customers' monthly bills. Bill insertion is a convenient and relatively inexpensive way of providing required notices to customers. However, the billing system used by the Companies for bill insertion operates on a longer lead time than that indicated in the notice. Once a notice has been posted to DMS, it must go through a proofing process and included with all other bill inserts, which must be provided to the printer by the 6th of each month in order to be shipped to New Jersey, where they are inserted into the bill envelopes. From there, it takes a thirty-day cycle to send bills to customers in daily batches as customers are on different billing cycles. Accordingly, the Companies cannot meet the December 21, 2020 deadline set by the Commission with a bill insert. If the Companies do a special mailer, conservative preliminary estimates are that such action would cost between \$420,000 to \$530,000—a cost recoverable from customers.



Because of the substantial expense associated with providing the notice in accordance with the Transmittal Letter, we propose that the Commission consider an alternative way of providing notice of the hearing. The Companies are able, by the December 21st deadline, to provide notice: (1) by publication in newspapers; (2) by a posting on their webpages and; (3) by providing direct notice for all customers who have signed up to receive notice by electronic mail. DEC and DEP submit that notice by these methods is sufficient and reasonable under the circumstances presented in this proceeding. Those circumstances include the fact that, in addition to the expense of complying with the deadline established in the transmittal letter (an expense recoverable from ratepayers), the petition in this proceeding requests only an accounting order and does not request any change in rates or charges to customers. Accordingly, as explained in our October 19th Return to the ORS Reply, no notice is required before the Commission can take action on the Companies Joint Petition.

It is our understanding that the procedural schedule in this proceeding was established by the Clerk's office, pursuant to instructions from the Commission in Order No. 2020-716. Accordingly, we believe that the Clerk's office can approve the revised notice procedure that we are requesting, and we respectfully request that action be taken as soon as possible given the timing issues that we are facing.

Thank you for considering our request for a revised procedure for providing notice of the Virtual Public Hearing.

Yours truly,

Frank R. Ellerbe, III

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Copy via email: Jocelyn Boyd, Chief Clerk/Executive Director
David Butler, Esquire
Jo Anne Wessinger Hill, Esquire
Parties of Record
Heather Shirley Smith, Deputy General Counsel